



DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

On file DOC release instructions apply.

DIA review(s) completed.

Secret

Nº 042

No. 0291/71 6 December 1971

Central Intelligence Bulletin

CONTENTS

INDIA-PAKISTAN: Indian forces continue to advance
in East Pakistan. (Page 1)

SOUTH KOREA: President Pak is moving to increase his personal power. (Page 5)

CAMBODIA: The Communists are maintaining pressure in the Phnom Penh area. (Page 7)

URUGUAY: By latest count, the Colorados have barely won the presidency. (Page 8)

POLAND-US: The Poles were forthcoming on economic matters during Secretary Stans' visit. (Page 9)

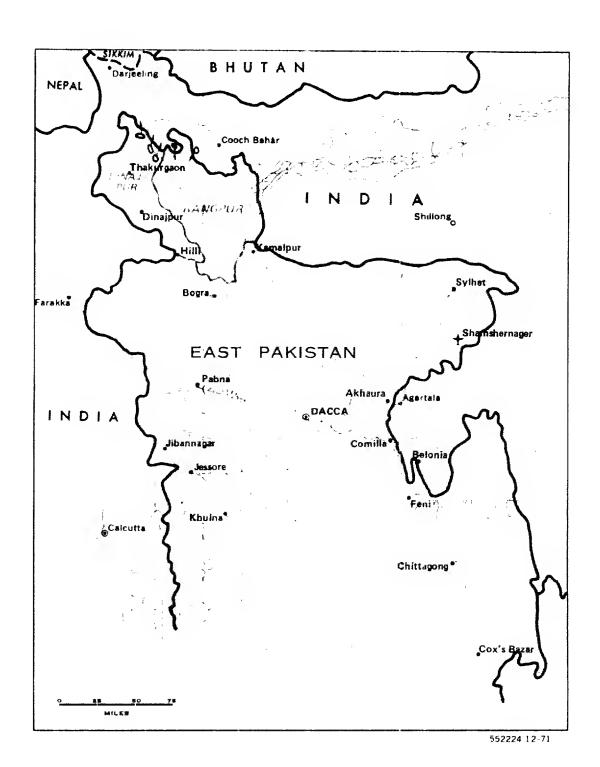
VENEZUELA-COLOMBIA: The foreign ministers will try to solve bilateral problems. (Page 11)

WEST GERMANY - EAST GERMANY: Delay in agreements (Page 12)

ARAB STATES - FEDAYEEN: Libyan "commandos" in Syria (Page 12)

CHILE: Calm under emergency regulations (Page 13)

EL SALVADOR: Accused plotters fired (Page 13)



INDIA-PAKISTAN: Indian forces continue to advance in East Pakistan, while both sides claim some progress on the western front.

In East Pakistan, major Indian thrusts are continuing in the northwestern districts of Dinajpur and Rangpur, where the Indians outnumber Pakistani troops by at least two to one. Elsewhere in the province, the Indians say they have captured Kamalpur in Mymensingh District. They also claim they have cut the rail and road networks south of Comilla and have taken the town of Akhaura, and that they are continuing to make progress in the Sylhet and Jessore areas.

India's objective in the East is to obtain the complete liberation of Bangla Desh and the total surrender of the Pakistani forces in the province.

Although ground action on the India - West Pakistan front has been increasing, it is not as widespread as in the East and neither side appears to be making clear-cut major gains. The Pakistanis claim to have made some inroads in two areas of Kashmir, and they are planning a major assault in the Kargil region. the Punjab area the Pakistanis have launched offensives toward Amritsar, Ferozepur, and Fazilka. India has admitted some loss of territory but says it has halted the advances. The Indians claim they are advancing in two sectors in West Pakistan's Sind Province, and that they have captured the town of Gadra after repulsing a Pakistani tank attack. However, Indian spokesmen assert that their side has not launched a major invasion of West Pakistan

In the air war, Pakistan now claims to have shot down or damaged 61 Indian aircraft while New Delhi says it has destroyed 47 Pakistani planes. Neither claim can be substantiated. On the eastern front, New Delhi apparently has achieved complete

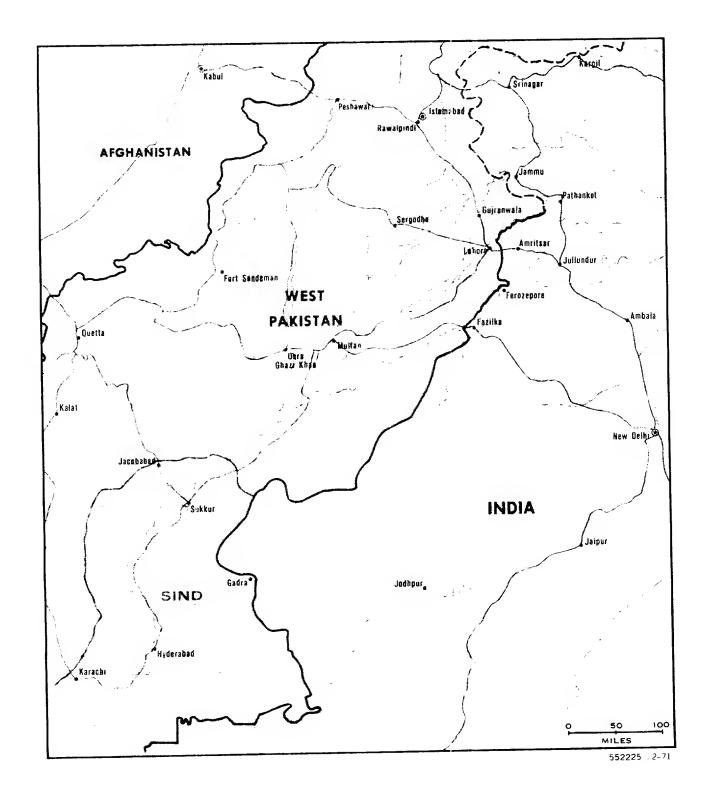
6 Dec 71

Central Intelligence Bulletin

1

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Tair superiority and is using its air force to support its ground offensive.

The Indians continue to bomb and strafe military targets in major cities in both East and West Pakistan. Fuel storage tanks in the Dacca and Chittagong areas of East Pakistan and in the West Pakistani port of Karachi are being hard hit.

The navies of both countries have also been active, a departure from the two previous Indo-Pakistani wars when naval forces kept out of the action. The Indian Navy is blockading ports in both East and West Pakistan. In a naval engagement off the Karachi coast on 5 December, the Indians claim to have sunk two Pakistani destroyers and subsequently to have shelled the Karachi port. Pakistan has admitted the loss of one destroyer to an Osaclass cruise missile boat, one of eight the Indians have obtained from the Soviets. The numerical superiority of India's fleet should give it a decided advantage in any further naval combat.

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The Soviet Union continues to give India its full public support and to hold itself aloof from any attempts to end the hostilities. Moscow's adherence to the line that Pakistan is to blame for the situation—and that resolution of the conflict can come only with a political settlement in East Pakistan—has been reaffirmed in public statements by Premier Kosygin in Denmark, in the Soviet veto of cease—fire proposals at the UN, and in a statement released by TASS in Moscow on 5 December.

An official in Kosygin's party stated that this situation was different from the 1965 conflict which the Soviets mediated at Tashkent, and that this time the Soviets could do nothing themselves to halt the war. The TASS statement warned all governments to refrain from taking steps that might involve them in the conflict and lead to further aggravation of the situation. The warning was probably aimed primarily at China, which has accused

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India of instigating "large-scale aggression" against Pakistan. Although the governments of India and the USSR are keeping in close contact, the Soviet leadership is maintaining a relaxed appearance. Kosygin is continuing his visits to Denmark and Norway, and party chief Brezhnev left Moscow by train on 4 December as head of a delegation to the Polish party congress opening in Warsaw on 6 December.

Peking has predictably condemned Indian and Soviet actions in the crisis but has given no indication of any change in its policy of avoiding direct involvement while maintaining cautious political and military assistance to the Pakistani Govern-Although it has characterized the situation as "grave," China's commentary has not adopted a menacing tone but has focused instead on demands for an immediate and unconditional withdrawal of Indian forces. Chinese officials in Peking and at the UN have continued to place prime responsibility for the current hostilities on Moscow, characterizing the USSR as the chief instigator of New Delhi's "aggressive" policy. All Chinese statements have reaffirmed "firm support" for Islamabad but have been no more specific about the actual nature of Chinese assistance than other recent announcements from Peking.

The UN Security Council adjourned late last night, having been stymied for the second time this weekend by a Soviet veto of a US-supported draft resolution calling for both a cease-fire and withdrawal of troops. A separate Soviet resolution, blaming the crisis situation solely on Pakistan, received only Poland's backing. The only text that remains formally before the Council is a Chinese draft focusing on Indian incursions; because of the certainty that it would fail, the Chinese have asked that it not be voted on pending further developments. Only a simple cease-fire resolution has not been tried, and even such a text would probably encounter a Soviet veto at this time. The Council will reconvene this afternoon.

25X1

6 Dec 71

SOUTH KOREA: President Pak has initiated a series of moves that will increase his personal power.

In a statement to the nation yesterday Pak declared a "state of national emergency"--just short of martial law--and will reportedly call for legislation to give him powers to strengthen the defenses of Seoul and further restrict the press. Some major personnel changes may also follow.

The announced purpose of Pak's action is to "awaken" the populace to the need for restrictive measures on the grounds that there is an increasingly serious possibility of North Korean aggression.

These moves are the culmination of a two-monthlong government campaign in which the threat from the North has been given extensive play in the press as well as in official statements and documents. There is no evidence suggesting such an attack is imminent. These new measures, therefore, seem motivated by domestic political considerations.

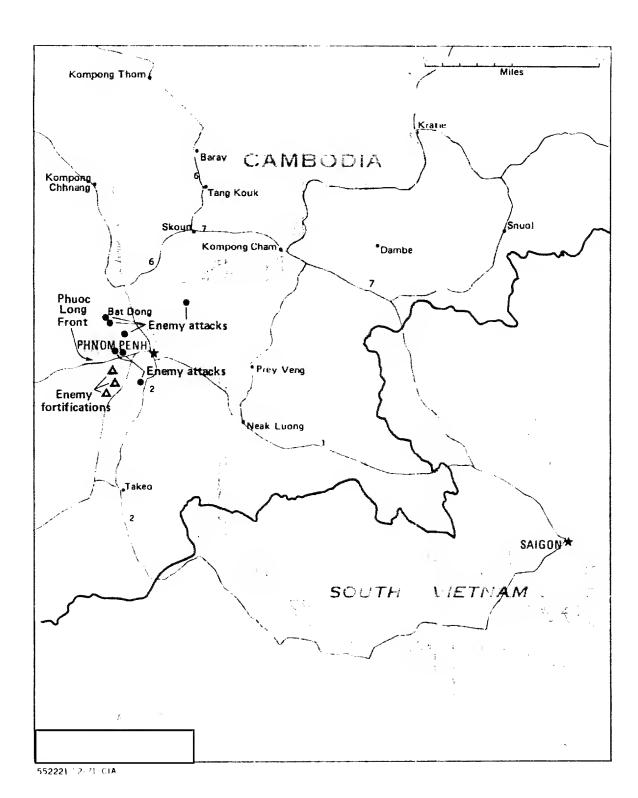
Concern over the state of the economy as well as the general great-power realignments in East Asia are undoubtedly factors in Pak's desire for a tighter grip on affairs. This desire has probably been reinforced by his success through decisive action in quashing student disorders and recent factionalism within his own party. None of these issues seems sufficient, however, to cause Pak to take a major political step that risks serious domestic and international criticism. It may be, therefore, that the new measures represent the start of a longer-range plan to curb political intrigues already unleashed by Pak's pledge to retire in 1975, and to prepare a case for prolonging his tenure in office.

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6 Dec 71

25X1

Central Intelligence Bulletin



<u>CAMBODIA</u>: The Communists are maintaining pressure in the Phnom Penh area.

Several government positions around the capital were attacked over the weekend, with the sharpest fighting west of the city. The heaviest losses have been reported at Bat Dong, where there were some 50 casualties among government forces. These actions probably are the work of elements from the enemy's Phuoc Long Front that remain close to Phnom Penh. US aerial observers continue to report enemy fortifications and trenching near major Front unit locations.

In eastern Kompong Cham Province near Dambe, the South Vietnamese continue to meet scattered, light Communist opposition in their two-week old dry season campaign. Recent sharp mortar attacks in the Dambe area suggest that the Communists may increase their resistance to future South Vietnamese operations in this area.

The government's Chenla II campaign has been officially terminated, but an accurate account of losses is likely to take considerable time. Prime Minister Lon Nol has ordered a formal investigation to determine "what went wrong" during the operation, especially the rout of government troops from Baray. Remnants of the northern task force, meanwhile, are still straggling into Tang Kouk and Kompong Thom. A large influx of soldiers, dependents, and refugees into Kompong Thom has severely aggravated the supply situation there. The US defense attaché reports that the situation is now generally calm elsewhere along Route 6.

URUGUAY: The Interior Ministry's "final preliminary" results of the elections on 28 November give the Colorados the presidency by less than 10,000 votes over the major opposition Blanco Party, but the definitive tally may not be known until late January.

Absentee and challenged ballots, still uncounted, are estimated at about 160,000 and the official recount including these ballots will require some weeks to complete. Some confusion already exists over the ministry's count to date, because its figure for the total valid vote is 25,000 less than the combined total of the votes of all the individual parties it has announced thus far.

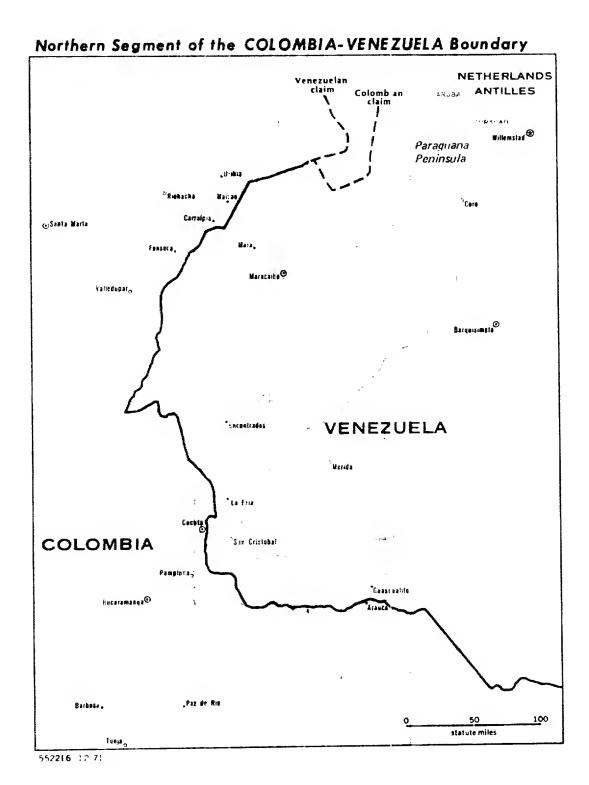
In past elections, absentee and challenged ballots have not significantly altered the percentage results of the preliminary count, and most observers apparently feel that the conservative Colorado, Juan Maria Bordaberry, will be the next president. If the uncounted ballots--most of which were probably cast in Montevideo by residents of interior departments--are split along the lines of the interior vote which favored the Blancos, the final result will be exceedingly close.

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POLAND-US: The Poles were forthcoming in several bilateral economic areas during Commerce Secretary Stans' brief stopover in Warsaw.

A Ministry of Foreign Trade official said Poland would like to double US-Polish trade from its current level of about \$160 million "in a few years." He provided a list of capital equipment with an approximate value of \$350 million that Warsaw wants to buy from the US; preliminary estimates are that more than \$300 million worth of these purchases will not present licensing problems.

Of potentially greater significance than an increase in commodity trade were Polish overtures in the investment field. Although Premier Jaroszewicz initially adhered to last month's decision by Warsaw to permit joint ventures with Western firms on the basis of 51-49 percent participation, after consultation with an attending party economic official he agreed it would be proper to consider a variant providing for 50-50 shares. At the Ministry of Foreign Trade the Stans party was told that US investment would be welcome in the development of Poland's copper, zinc, and soda ash industries. As a final gesture, the Poles at the last minute dropped their objections to the establishment of a US trade center in Warsaw.



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VENEZUELA-COLOMBIA: The two governments have decided to make an "earnest effort" to solve bilateral problems during Venezuelan Foreign Minister Calvani's visit to Bogota next week.

Calvani and Colombian Foreign Minister Vazquez hope to find some agreement that might represent a breakthrough on the thorny dispute over the Gulf of Venezuela, on which working negotiations are to resume in February. During recent talks in Rome, both sides held rigidly to their widely divergent positions. Venezuela maintains the entire gulf is not territorial sea but its inland water, straight northeast to the northern point of the Paraguana peninsula. Colombia insists that the boundary line be at a right angle to the shore, southeastward to a point equidistant from both shores and thence north.

Both sides have serious doubt that a formula taking account of military and political exigencies in both countries can be found. Some pessimism has been dissolved, however, by the euphoria over the close coincidence of the views of the two countries on law of the sea matters during the Caribbean foreign ministers conference two weeks ago.

With the continuing cordiality established over the past few months, the foreign ministers can probably make progress at least on other issues. On the agenda are problems of contraband and of the hundreds of thousands of Colombians living and working illegally in Venezuela. Possibilities for economic cooperation will also be discussed. The intense friendly activity should serve also to keep down the war fever that raged between the two neighbors last spring.

NOTES

WEST GERMANY - EAST GERMANY: The inter-German and inner-Berlin agreements probably will not be initialed before 7 December. The delay in the initialing, which had been expected to take place on 4 December, was ordered by the West Berlin Senat partly in order to permit its negotiator to seek further improvements on a few technical problems in the inner-Berlin agreement. More important, however, the delay will also allow Social Democratic (SPD) leaders in West Berlin and Bonn to try to head off last-minute criticism from the Free Democrats over the quota provided in the draft agreement for visits of West Berliners to East Ber-The SPD will hope to settle this disagreement as quickly and quietly as possible, for its hopes to ratify the Eastern treaties next year hinge upon the support of the Free Democrats.

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ARAB STATES - FEDAYEEN: A contingent of Libyan "commandos" arrived in Syria recently for the announced purpose of reinforcing the Palestinian guerrillas in that country. The force is believed to number about 300, but there is no information on where the unit will be stationed. If it joins fedayeen forces near the Jordanian border, it could add to the instability in that area and complicate the reopening of the border to commercial traffic. Libyan Prime Minister Qadhafi has long sought to station troops in Syria but Damascus had been reluctant to go along. Qadhafi most likely brought the Syrians around by promising them increased financial support.

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12

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CHILE: Santiago continues relatively calm under the emergency regulations decreed last Thursday after the street violence caused by attacks on antigovernment demonstrators. An opposition move to impeach Allende's interior minister has been deferred by a scheduled congressional recess of several days thus giving the government time to work out a "compromise" with the divided Christian Democratic Party. President Allende is facing strong pressures from within his coalition for harsher policies against opposition "provocateurs," but his clear concern over the reactions of Chilean military leaders will argue for a cautious balance in his tactics.

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EL SALVADOR: President Fidel Sanchez, in a surprise move, has fired five important military officers because of their involvement in coup plotting. This action is probably intended as a warning to the others who may be involved. There have been vague rumors of discontent among the middle grade officers recently. The sudden firing of some of the plotters will no doubt increase tensions between the President and the military, and Sanchez will have to be very persuasive in dealing with the military if he is to maintain a calm atmosphere as the February elections approach.

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6 Dec 71

Central Intelligence Bulletin

13

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